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FROM USOECD

OES FOR DRAGNICH

E.O. 12958: DECL: 05/19/2015 TAGS: \underline{PGOV} \underline{ECON} \underline{CH} \underline{TW} SUBJECT: (C) OECD: CHINA CONTINUES PRESSURE AGAINST EXPANDED TAIWAN TIES

- (U) classifed by: Morton Holbrook, Economic Counselor, USOECD. Reason: 1.4(d)
- $\P1.$ (C) Chinese Embassy officials have continued to press the OECD Secretariat to oppose Taiwan's applications to join committees as observers. conversations on May 11 and May 18, the officials, including the Embassy's Commercial Counselor, requested that the OECD notify member country delegations of China's opposition to Taiwan's requests. They asserted - as previously (reftel) -- that Taiwan's motive for its recent expression of interest in OECD observerships was political. The latest request was made (as before) to Frederic Langer, a mid-level OECD Secretariat official who is in charge of the OECD's country program for China.

OECD response: it's the committees

12. (C) After consulting with higher officials, including OECD Secretary General Donald Johnston, Langer relayed the OECD's response: the OECD valued its cooperative relations with China, as had recently been expressed in the joint statement released after Commerce Minister Bo Xilai's attendance at the OECD's Council at Ministerial Level meetings May 3-4 (copy faxed to EAP/CM and EU/ERA). However, the OECD Secretariat could not block applications for

observerships or make statements to member delegations on behalf of a non-member country.

13. (C) If China wished to send a statement to the Secretariat setting out its own position, the

Secretariat would make that statement available to

members, without endorsing it. However, Langer told the officials, it was hard to predict what member states reaction would be; there could well be a negative reaction. He also noted that the various OECD Committees would give Taiwan's applications very thorough scrutiny based not on political criteria but on whether Taiwan and the OECD would both benefit from Taiwan's participation. He suggested that China need not be concerned that a committee might approve an application from Taiwan that was not well-grounded in the work of the committee.

Coming events with China

14. (C) Langer told us that China is currently scheduled to participate, at the Vice Ministerial level, in two upcoming OECD meetings, an economic review of China on June 3, and a review of China's agricultural policy that will begin on June 10 (China's delegation to the agricultural meetings is scheduled to be led by Duan Yinbi, Vice Minister, State Council, Western Development Office). There has been no suggestion as yet that these meetings will not proceed as scheduled with PRC attendance. As far as the OECD is concerned, the ball is now back in China's court.

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